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NEWS RELEASE

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Default Order Issued Against Company Factoring Cable Installation Receivables

Company sold factoring agreements, used investor money to pay criminal defense costs . . .

SALT LAKE CITY, Utah – A default order was entered today against CommuniCom Direct, Inc., of Salt Lake City. CommuniCom told investors that it performed contract work for the cable television company Comcast, Inc., then billed Comcast for the work. The company offered to sell its accounts receivable to investors at a discount, promising to pay the full amount of the invoice to investors when Comcast paid its bills. One investor purchased 52 of these “factoring” agreements, paying \$295,800.

This Division initiated enforcement proceedings in December 2005 against CommuniCom and its controller/treasurer Jordan Tenney. Tenney had signed many of the notes. On August 4, 2006, Tenney consented to a cease and desist order and agreed to pay a fine.

CommuniCom never responded to the Division’s Order to Show Cause, leading to the default order entered today. Today’s default order finds that the factoring agreements are securities, the securities were not registered, the company employed unlicensed agents to sell the factoring agreements, and the company misrepresented important information to investors and failed to disclose information the investor should have been told. This includes falsely claiming the factoring agreements were guaranteed and that the investor would receive full payment of the invoices. In fact, the company failed to disclose that the president of the company had two prior criminal convictions for securities fraud, including one for a fraud relating to factoring of receivables. Incredibly, the company president had solicited the investor while the president was awaiting sentencing on one of his securities fraud convictions. The president currently is in prison.

The Default Order requires CommuniCom to cease and desist any violations of the securities laws and imposes a fine of \$50,000.